

Affordable Housing in Norton Commons Information Sheet

Louisville Metro Government is committed to working with the community to expand affordable housing choices across the city, with a goal of creating or preserving at least 24,000 units of affordable housing by 2030. To support economic development and the working families across Louisville, it is crucial that we work together as a community to provide housing options in all neighborhoods that meet the means and needs of all of our citizenry.

How is “affordable housing” defined?

Housing is considered “affordable” when a family pays no more than 30 percent of its gross income on housing costs, including utilities. The U.S. Department of Housing and Urban Development uses “Area Median Income,” or “AMI,” to determine what is “affordable” for families in each community. AMI is adjusted for family size and broken into categories described as “low income,” (80 percent of AMI), “very low income,” (50 percent of AMI), and “extremely low income,” (30 percent or less of AMI).

Louisville AMI is just over \$67,000 for a family of four. Using this as the standard, a family of four making around \$53,600 annually is considered to be “low income,” and a single individual making around \$37,550 annually would be considered “low income.”

A “low income” family of four can afford to pay \$16,080 a year for housing costs without being cost-burdened (or paying more than 30 percent of gross income on housing costs). This translates to around \$1,340 a month. Similarly a “low income” single individual can afford to pay \$11,265 a year for housing, or \$939 per month for housing costs without being cost-burdened.

What is the need for “affordable housing” in Louisville?

Around 46 percent of Louisville households are considered “low income” because they earn at or below 80 percent of AMI (\$53,600 for a family of four, or \$37,550 for a single individual). And 37 percent of Louisville’s workforce, or around 218,000 individuals, earns less than \$28,140 per year, putting them in the category of “extremely low income.” These individuals are working, but cannot afford to rent an unsubsidized two-bedroom apartment without suffering cost burdening. The American Community Survey generated by the U.S. Census Bureau shows that 60,000 Louisville low income households are in need of affordable housing because they are cost-burdened. Of that number, nearly 24,000 Louisville low income households are severely cost-burdened, meaning that they spend more than 50 percent of their income on housing costs.

Louisville’s “low income” households are working. They are our teachers and classroom aides, emergency responders, hospitality and service industry providers, health care providers, and many other professions – many of which require college degrees. They are our neighbors – our barista, our bartender, our child’s swim instructor.

What is the city doing to address the need for affordable housing?

In 2015, Louisville Metro Government launched the Louisville CARES program, a revolving loan fund to address this pressing need. This fund has been established to finance, in part, the development of workforce housing across the community, particularly in parts of town that currently have a limited amount of affordable housing options. For more information about Louisville CARES, please visit <https://louisvilleky.gov/government/housing-community-development/louisville-cares>.

What has the city done to support the affordable housing development at Norton Commons?

In May 2016, the Louisville CARES loan review committee approved the conditional commitment of a loan in the amount of \$1.93 million at 1 percent interest for development of 21 affordable housing units located in Norton Commons. This loan will be fully repaid to Louisville Metro Government in five years, which will replenish the loan fund in a timely manner and allow the redeployment of these vital dollars back into our community. According to the application filed and approved for the loan, four units will be marketed to households at 50 percent of AMI (\$33,500 annual income for a family of four, or \$23,450 for a single individual) or less, and 17 units will be marketed to families at or below 60 percent AMI (\$40,200 annual income for a family of four, or \$28,140 for a single individual).

What about land use and zoning approvals from the city?

The decision to include a variety of housing types at a mixture of income levels, including affordable, in Norton Commons was made over 16 years ago when the property was rezoned to Planned Village Development (PVD) District. There was significant public engagement at that time, including several public charrettes and Planning Commission public hearings, as the property went through the zoning and development approval process.

Under the Louisville Metro Land Development Code, one of the required features of the PVD District is that it must include a variety of housing types. “This allows younger and older people, singles and families, and people with a wide range of incomes to have places to live.” ([Louisville Metro Land Development Code](#) Section 2.7.1.C,2.b.).

Additionally, the Master Plan for Norton Commons, which was approved as part of the initial rezoning to PVD in 2000, contemplated that “Norton Commons will provide a variety of housing opportunities and costs so that its neighborhoods offer living opportunities to the wealthy business owner wishing to live on a larger lot, but also to the school teacher and gardener. Affordable housing choices include garage apartments in conjunction with single family houses, apartments above shops, and apartment buildings adjacent to shopping and workplaces.” ([Revised Master Plan for Norton Commons, Louisville, Kentucky, April 13, 2000](#)).